COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED   )
GAS ADJUSTMENT FILING OF   )   CASE NO. 9375-F
ELAM UTILITY COMPANY   )

ORDER

On January 13, 1986, the Commission issued its Order in Case No. 9375 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On June 8, 1987, Elam Utility Company ("Elam") notified the Commission that its wholesale cost of gas had been decreased due to a change of supplier from Columbia Gas Transmission Corporation ("Transmission") to EnTrade Corporation ("EnTrade") and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Elam's notice of June 8, 1987, set out certain revisions in rates which Elam proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of $45,386 or $1.18 per Mcf.

(2) Elam submitted receipts showing its cost of gas from EnTrade and the transportation charges from its transporter, Transmission, for the month of April.

(3) Elam has overcollections in the amount of $3,326 to be refunded to its customers for the month of April. Elam should file a refund plan with this Commission to return this amount to its customers.

(4) Elam should comply with the Order in Case No. 8929-K, dated March 14, 1986, which directed it to file its gas contracts, and should supply this Commission with a copy of its contract with EnTrade and its transportation agreement with Transmission.

(5) Elam's application proposed no effective date. The effective date of the proposed rates should be May 1, 1987.

(6) Elam's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9375 dated January 13, 1986, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after May 1, 1987.

(7) Elam should report to this Commission the amount of excess revenues collected from May 1, 1987, to the date the proposed rates are implemented, along with a plan to refund the over-collections to its customers.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after May 1, 1987.
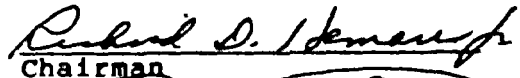
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(2) Within 30 days of the date of this Order Elam shall file with this Commission its revised tariffs setting out the rates authorized herein.
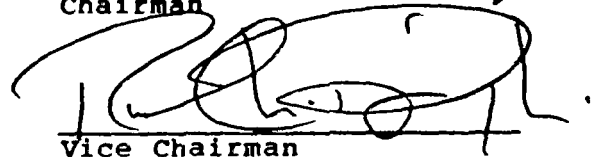
(3) Within 30 days of the date of this Order Elam shall file with this Commission the amount of excess revenues collected from its customers, along with a refund plan, including the over-collections for the month of April.

(4) Within 20 days from the date of this Order Elam shall file its contract with EnTrade and its transportation contract with Transmission.

Done at Frankfort, Kentucky, this 24th day of June, 1987.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9375-F DATED 6/24/87

The following rates and charges are prescribed for the customers served by Elam Utility Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

RATES: Monthly

RESIDENTIAL & COMMERCIAL

Customer Charge	$ 4.00
First 11 Mcf	6.45 per Mcf
Over 11 Mcf	7.45 per Mcf

INDUSTRIAL

Customer Charge	$ 5.00
All Mcf	6.45 per Mcf

The base rates for the future application of the purchased gas adjustment clause of Elam Utility Company shall be:

	Transportation	Commodity
Columbia Gas Transmission Corporation	$.6434	—
Capitol Oil and Gas		$3.9090 per Mcf
EnTrade		2.2681 per Dth